

**INTRODUCTION**

*Stocks in the news: **Agua Resources, Golden Rim Resources, Orbis Gold, Paladin Energy, Rimfire Pacific Mining, Sandfire Resources, Taruga Gold & Armour Energy***

**We have Dusty Nicol of European Uranium<sup>††</sup> (EUU CN) in London on 21 August, and he will be available for meetings.** European Uranium is developing the high-grade Kuriskova Project in Slovakia. EUU has completed a PFS for a 1.6Mlb pa (average LoM) underground Uranium mine with low cash costs of US\$24.26/lb and capex of US\$225m. We included EUU in our sector piece [Uranium — Powering the Future, July 2013](#). Our analyst Craig Foggo believes the project is robust and has a price target of C\$0.25/share. EUU has strong local and national support for the project, including an MoU in support of it from the National Government. Slovakia is very pro-nuclear and aims to produce 50% of its electricity through nuclear generation according to the '2008 Energy Security Strategy' that was laid out by the government. The viability of Uranium mining within the country was one of the initiative's priorities. EUU also has a strong shareholder base, which includes AREVA, with whom EUU has a strategic partnership. If you would like a meeting with Mr Nicol, then please let me know.

**The Australian Federal Election Campaign is officially underway.** Kevin Rudd, the 1.5-month-old replacement Prime Minister announced the upcoming election will be held on 7 September. According to commentators the election is expected to be one of the tightest on record. The Australian mining sector would consider Labor's relationship with it as disastrous and many will be looking forward to a Liberal Party victory. Nev Power, the Fortescue Metals CEO, was the first mining heavyweight to comment: "It is a good thing that we are seeing the election and hopefully on the other side of an election we will see that certainty and stability in government process." I know that we're all secretly looking forward to what Andrew Forrest and Gina Rinehart's comments will involve, and we will update you on these as the campaign progresses. In the meantime, I attach a copy of today's Australian *Daily Telegraph* so that you can appreciate the subtleties of the local press coverage of the election.

<image002.png>

*The Australian Daily Telegraph's first assault on the Labor Party campaign*

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**METALS & MINING EQUITIES**

**AGUIA RESOURCES — Further Phosphate Intersections** — The company with a primary focus on the exploration and development of large-scale phosphate and potash projects in Brazil believes Rio Grande do Sul has the potential to host a major new phosphate province in close proximity to infrastructure, primary agriculture customers and fertiliser blenders. Joca Tavares is located 41km east-south-east from Agua's 21Mt Três Estradas Project. The following auger hole results were intersected at Joca Tavares:

- 9.0m grading 11.5% P<sub>2</sub>O<sub>5</sub> from surface (hole ended in mineralisation)
- 3.8m grading 13.7% P<sub>2</sub>O<sub>5</sub> from surface (hole ended in mineralisation)
- 3.5m grading 12.1% P<sub>2</sub>O<sub>5</sub> from surface (hole ended in mineralisation)
- 2.0m grading 12.8% P<sub>2</sub>O<sub>5</sub> from surface (hole ended in mineralisation)

**GOLDEN RIM RESOURCES — Receives New Funds** — The company focused on exploring and developing gold resources in West Africa has completed a placement of 85m fully paid ordinary shares in the company at an issue price of A¢2.2/share to raise A\$1.87m (before costs).

**ORBIS GOLD<sup>††</sup> — Impressive Natougou Maiden Resource** — Orbis Gold, the Burkina Faso-focused gold explorer, has announced that a maiden Mineral Resource estimate has been completed for the Natougou gold deposit. The deposit is located on Orbis's 100%-owned Boungou permit, located in south-east Burkina Faso. The Natougou resource estimate was prepared by Snowden Mining Industry Consultants and is reported in accordance with the JORC Code (2004). The Natougou Mineral Resource totals 15 Mt at 3.7g/t for 1.8Moz of contained gold (at a 0.5 g/t Au lower cut-off grade). Please see our piece [Orbis Gold — Impressive Natougou Maiden Resource, 5 August 2013](#) for more information

**RFC Ambrian Comment:** *This is a fantastic result for Orbis and exceeded our expectations on both tonnage and grade. This is just a maiden resource and a great achievement over a relatively short space of time. The nature of the flat-lying*

shallow resource has facilitated drill testing and contributed significantly to the rapid progress from discovery to resource. The favourable geometry should also benefit progress and minimise the cost of any future (likely) infill programmes to progress the resource to a reserve.

**PALADIN ENERGY — Institutional Placement** — Paladin Energy, the African focused uranium producer, has completed the bookbuild for a private placement to institutional and accredited investors of 125.6m ordinary shares (representing 15% of Paladin's existing issued capital) to raise gross proceeds of approximately A\$88m/C\$81m. The placement was priced at A\$0.70 (C\$0.65) per share, which represents a 30% discount to Paladin's last closing price on ASX.

**RFC Ambrian Comment:** *As expected, the placement saw a dramatic 30% discount to the company's share price prior to the placement. Assuming uranium prices lift from current lows as we (and Paladin) anticipate later this year, the company should have enough cash to service debt in the short term.*

**RIMFIRE PACIFIC MINING — Placement Successfully Undertaken** — Rimfire, a resources exploration company focused at Fifield in central NSW, has announced that a placement on 1 August has raised approximately A\$1.92m, with further funds under discussion. Net proceeds will provide additional working capital and be applied to the company's Fifield NSW projects, including the major focus on the 8km<sup>2</sup> wide Sorpresa Gold and Silver area, both for discovery and delineation drill programmes in particular.

**RFC Ambrian Comment:** *It is not easy for explorers to raise funds in this market. Whilst only a small amount of funding, Rimfire is now ready to commence a structured and systematic exploration programme on what we believe is highly prospective ground.*

**SANDFIRE RESOURCES — Opening of the DeGrussa Copper Mine** — The Australian mid-tier mining company has announced the official opening of the DeGrussa Copper Mine (in Australia). It comes just over four years after Sandfire first made headlines around the world with the discovery of the exceptional high-grade DeGrussa VMS copper-gold deposit during a drilling programme targeting oxide gold. Mining commenced initially via a two-year open-pit operation in parallel with the development of a longer-term underground mine, which is now ramping up to a full production rate of 1.5Mtpa.

**RFC Ambrian Comment:** *Sandfire is a great success story and testament to the opportunities that still remain in Australia for significant discoveries.*

**TARUGA GOLD — Nangalasso Exploration Update** — The company focused on Mali has announced that drilling results from the Nangalasso Project, located in southern Mali, 30km from the 7Moz Syama mine, which hosts a geological setting analogous to the Morila (Randgold Resources, LN:RRS) and Tengrela (Perseus Mining, ASX/TSX: PRU) style of mineralisation. A total of 61 aircore holes have been completed for 1,979m. Gold anomalous zones extending for over 10.5km have been defined by extensive surface geochemical sampling. Multiple gold anomalous trends, defined and associated with strong geological structures and felsic intrusive, were also identified. Wide-spaced reconnaissance drilling completed over extensive surface geochemical anomalies returned intersections including:

- 1m at 7.8 g/t gold in drill hole NAAC004
- 3m at 7.84 g/t gold in drill hole NAAC021, including 1m at 13.5 g/t gold from 16m

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## OIL & GAS EQUITIES

**ARMOUR ENERGY<sup>††</sup> — Contracts Fugro to Shoot 3,000km<sup>2</sup> Airborne Gravity-magnetic Survey** — Armour has announced that it has contracted Fugro to perform a 3,000km<sup>2</sup> airborne gravity-magnetic-digital terrain model survey across the western portion of ATP 1087. The survey is designed to further define multiple play types, including conventional reservoirs, Lawn Shale and Riversleigh Shale targets, with an aim to increase prospective resources within ATP 1087. It is scheduled to commence in late-August 2013.

**RFC Ambrian Comment:** *This survey technology was successfully used by Armour Energy in the Batten Trough, McArthur Basin, NT, in early 2013, which resulted in the identification of 23 conventional hydrocarbon drilling targets with a combined mean prospective gas resource of 264Bcf. However, the key driver of Armour's share price over the coming few months will be the flow test results of the multi-stage hydro-fractured lateral Egilabria-2 well, currently being drilled. We reiterate our Speculative Buy on the stock and target price of A\$0.67.*

\*RFC Ambrian acts as Nomad to this company

†RFC Ambrian acts as Broker to this company

††RFC Ambrian acts as Agency Broker to this company

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